

**STATE OF RHODE ISLAND
PROVIDENCE, SC.**

SUPERIOR COURT

RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION,

Plaintiff,

v.

WELLS FARGO SECURITIES, LLC;
BARCLAYS CAPITAL, INC.;
FIRST SOUTHWEST COMPANY; STARR
INDEMNITY AND LIABILITY COMPANY;
CURT SCHILLING; THOMAS ZACCAGNINO;
RICHARD WESTER; JENNIFER MACLEAN;
ROBERT I. STOLZMAN; ADLER POLLOCK
& SHEEHAN, P.C.; MOSES AFONSO RYAN,
LTD.; ANTONIO AFONSO, JR.;
KEITH STOKES and J. MICHAEL SAUL,

Defendants.

C.A. No. PB12-5616

JURY TRIAL DEMANDED

**ANSWER OF DEFENDANTS THOMAS ZACCAGNINO AND
RICHARD WESTER TO PLAINTIFF'S FIRST AMENDED COMPLAINT**

Defendants Thomas Zaccagnino and Richard Wester hereby answer the First Amended Complaint ("Complaint") of Plaintiff Rhode Island Economic Development Corporation ("EDC") as stated below. Mr. Zaccagnino and Mr. Wester have responded to the EDC's Complaint to the best of their ability based upon their knowledge and recollection at the present time, and they reserve the right to amend their responses as further information becomes available. Any allegations contained in the EDC's Complaint that are not specifically admitted are denied.

Answer to the EDC's Allegations Concerning Parties

SUPERIOR COURT
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1. To the extent that the allegations in Paragraph 1 assert a legal conclusion, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced statute speaks for itself and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1.

2. To the extent that the allegations in Paragraph 2 assert a legal conclusion, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced statute speaks for itself and they deny any characterization inconsistent with its terms.

3. To the extent that the allegations in Paragraph 3 assert a legal conclusion, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced statute speaks for itself and they deny any characterization inconsistent with its terms.

4. To the extent that the allegations in Paragraph 4 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Wells Fargo acted as placement agent for the EDC in connection with the EDC's issuance of the Bonds in 2010, and that Lamarre represented Wells Fargo in seeking private financing for 38 Studios, LLC ("38 Studios" or the "Company"), but (b) they deny that Lamarre had responsibilities regarding the EDC's loan to 38 Studios and the issuance of the Bonds, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 4.

5. To the extent that the allegations in Paragraph 5 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) they admit that Barclays acted as placement agent for the EDC in connection with the EDC's issuance of the Bonds in 2010, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 5.

6. To the extent that the allegations in Paragraph 6 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that they understood that First Southwest was acting as financial advisor to the EDC, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 6.

7. To the extent that the allegations in Paragraph 7 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Starr is an insurance company that issued a policy of insurance under which 38 Studios (and its subsidiaries) are named insureds, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 7.

8. To the extent that the allegations in Paragraph 8 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester admit the allegations in Paragraph 8.

9. Zaccagnino and Wester admit the allegations in Paragraph 9.

10. To the extent that the allegations in Paragraph 10 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Ms. MacLean was at one time a resident of Providence,

Rhode Island, and that she also served as the President and/or Chief Executive Officer of 38 Studios, LLC, but (b) they deny that this was the case at all times relevant to the Complaint.

11. Zaccagnino and Wester admit the allegations in Paragraph 11.

12. To the extent that the allegations in Paragraph 12 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Adler Pollock is a law firm with an office in Providence, Rhode Island, that Stolzman was an attorney with Adler Pollock, and that Stolzman and Adler Pollock represented the EDC, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 12.

13. To the extent that the allegations in Paragraph 13 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Moses Afonso is a law firm with an office in Providence, Rhode Island, that Afonso was an attorney with Moses Afonso, that Afonso and Moses Afonso represented the EDC, and that Afonso attended meetings of the EDC Board and provided advice to the EDC Board, but (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13.

14. To the extent that the allegations in Paragraph 14 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Stokes was an officer and employee of the EDC with the title of Executive Director, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 14.

15. To the extent that the allegations in Paragraph 15 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Saul was an employee of the EDC with the title of Deputy Director, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 15.

Answer to the EDC's Allegations Concerning "Key Non-Parties"

16. To the extent that the allegations in Paragraph 16 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that (i) 38 Studios was organized as a Delaware limited liability company, (ii) 38 Studios developed video games, (iii) 38 Studios was seeking additional financing or capital, (iv) Mercury Project, LLC, 38 Studios Baltimore, LLC, and Precision Jobs, LLC were subsidiaries of 38 Studios, (v) on June 7, 2012 38 Studios filed a Chapter 7 Voluntary Petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware that is still pending, and (vi) the Rhode Island Superior Court appointed a receiver for certain 38 Studios assets, but (b) they deny that the allegations in Paragraph 16 present a fair and complete description of 38 Studios' business and financial condition and (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 16.

17. To the extent that the allegations in Paragraph 17 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17.

18. To the extent that the allegations in Paragraph 18 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18.

19. To the extent that the allegations in Paragraph 19 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester admit the allegations in Paragraph 19.

20. To the extent that the allegations in Paragraph 20 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester admit the allegations in Paragraph 20.

Answer to the EDC's Allegations Concerning Jurisdiction and Venue

21. The allegations in Paragraph 21 assert legal conclusions to which no response is required.

22. The allegations in Paragraph 22 assert legal conclusions to which no response is required.

Answer to the EDC's Allegations in Section I.A of the Complaint

23. To the extent that the allegations in Paragraph 23 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that (i) in 2010 the EDC Board considered and approved the issuance of \$75 million in Bonds to finance a loan to 38 Studios in the form of conduit financing, and (ii) 38 Studios provided information to the EDC and its representatives in connection with this transaction, but (b) they deny that none of the Board members were experts in law, lending,

video gaming, or economic development, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 23.

24. To the extent that the allegations in Paragraph 24 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the EDC Board approved the loan and issuance of the Bonds, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 24.

25. To the extent that the allegations in Paragraph 25 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that on June 7, 2012, 38 Studios filed a Chapter 7 Voluntary Petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware, but (b) deny the remaining allegations in Paragraph 25. Further answering, Zaccagnino and Wester state that 38 Studios' bankruptcy was caused by risks that had been disclosed to the EDC and/or by the actions and omissions of the EDC.

26. To the extent that the allegations in Paragraph 26 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester admit that the parties listed in Paragraph 26 have been named as defendants in the EDC's Complaint.

27. To the extent that the allegations in Paragraph 27 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) insofar as the allegations refer to documents, those documents speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they admit that (i) 38 Studios disclosed the Company's financial projections and financial needs

to the EDC's representatives, (ii) the EDC and its representatives understood that 38 Studios' capital requirements to complete production of Copernicus (not including the launch of Copernicus) were at least \$75 million, (iii) the EDC and its representatives understood that the net proceeds to be lent to 38 Studios would be less than \$75 million, and (iv) the EDC and its representatives knew that 38 Studios would need funding in addition to the net proceeds of the EDC's loan, (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations as to what the EDC Board knew or was told, and (d) they deny the remaining allegations in Paragraph 27.

28. To the extent that the allegations in Paragraph 28 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 28.

29. To the extent that the allegations in Paragraph 29 are not directed at Zaccagnino or Wester, and assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 29.

30. To the extent that the allegations in Paragraph 30 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 30.

31. To the extent that the allegations in Paragraph 31 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny the allegations in the first sentence of Paragraph 31 and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in the second sentence of Paragraph 31.

32. To the extent that the allegations in Paragraph 32 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny the allegations in Paragraph 32 to the extent that the EDC alleges that they, 38 Studios, or its officers and directors engaged in any wrongdoing, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 32. Further answering, Zaccagnino and Wester state that they are unaware of any wrongdoing by any of the other defendants.

Answer to the EDC's Allegations in Section I.B of the Complaint

33. To the extent that the allegations in Paragraph 33 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit the allegations in the first sentence of Paragraph 33, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in the second sentence of Paragraph 33.

34. To the extent that the allegations in Paragraph 34 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that (i) 38 Studios was developing Project Copernicus, a massive multiplayer online video game, (ii) its subsidiary was developing Kingdoms of Amalur: Reckoning, a single-player action role-playing game, and (iii) 38 Studios maintained its headquarters in Maynard, Massachusetts from 2006 to 2011, but (b) they deny that the allegations in Paragraph 34 present a fair and complete of 38 Studios' business and operations.

35. To the extent that the allegations in Paragraph 35 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and

Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 35.

36. To the extent that the allegations in Paragraph 36 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that at some point the EDC began considering possible methods to provide financing to 38 Studios, including the issuance by the EDC of “moral obligation bonds,” but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 36.

37. To the extent that the allegations in Paragraph 37 are not directed at Zaccagnino or Wester, or assert a legal conclusion, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that, from the outset of discussions with the EDC, representatives of 38 Studios, including themselves, informed Stolzman, Stokes, Saul and other EDC representatives that 38 Studios needed to receive at least the net sum of \$75 million to complete production of Project Copernicus (plus an additional \$20 million in financing to launch Copernicus) and to relocate to Rhode Island, but (c) they otherwise deny the remaining allegations in Paragraph 37. Further answering, Zaccagnino and Wester state that they and other 38 Studios representatives informed the EDC’s representatives that 38 Studios would need additional financing.

38. To the extent that the allegations in Paragraph 38 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 38.

39. To the extent that the allegations in Paragraph 39 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that at some point they learned of the need for a debt service reserve fund, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 39.

40. To the extent that the allegations in Paragraph 40 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 40.

41. To the extent that the allegations in Paragraph 41 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections and the Bond documents included in the bond closing binder are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they admit that (i) 38 Studios gave the April 1 Projections to EDC staff, (ii) the April 1 Projections were referenced during the Bond transaction, and (iii) they (Zaccagnino and Wester) read and understood the April 1 Projections, but (c) they deny that the April 1 Projections include an assumption that 38 Studios would receive net loan proceeds from the EDC of \$75 million, and (d) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 41.

42. To the extent that the allegations in Paragraph 42 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) insofar as the allegations quote an unspecified document, the document

speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that on or about April 2, 2010, Stolzman visited 38 Studios in Maynard and met with financial personnel, but (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 42.

43. To the extent that the allegations in Paragraph 43 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 43.

44. To the extent that the allegations in Paragraph 44 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 44.

45. To the extent that the allegations in Paragraph 45 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) insofar as the allegations cite an April 12, 2010 email and the Equity PPM, those documents speak for themselves, and they deny any characterization inconsistent with their terms, (b) they admit that Wells Fargo received financial projections from 38 Studios that Wells Fargo incorporated in the Equity PPM for potential investors in 38 Studios, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 45.

46. To the extent that the allegations in Paragraph 46 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that (i) they discussed “grossing up”

the amount of the loan to \$85 million or more, to account for the reserve fund and other costs, so that 38 Studios would actually receive the net sum of \$75 million, with the EDC's officers and financial and legal advisors, and (ii) they were informed by the EDC's officers and financial and legal advisors that the gross amount of the loan would be \$75 million and could not be "grossed up," and (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 46.

47. To the extent that the allegations in Paragraph 47 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that (i) they knew that 38 Studios needed to receive at least the net sum of \$75 million to complete production of Project Copernicus (plus an additional \$20 million in financing to launch Copernicus) and to relocate to Rhode Island and had so informed the EDC's officers and financial and legal advisors, and (ii) they eventually learned that 38 Studios would receive less than \$75 million from the EDC, but (c) they deny the allegations that the April 1 Projections were based on false assumptions and would not justify the EDC loan, and (d) they are without knowledge or information sufficient to form a belief as to the truth of the allegations as to when they learned that 38 Studios would receive substantially less than \$75 million.

48. To the extent that the allegations in Paragraph 48 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections and the Equity PPM are documents that speak for themselves, and they deny any characterization inconsistent with their terms, and (b) they deny the allegations in Paragraph 48.

49. To the extent that the allegations in Paragraph 49 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that (i) Wells Fargo was working with 38 Studios on private financing and (ii) 38 Studios had provided financial projections and other information to Wells Fargo, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 49.

50. To the extent that the allegations in Paragraph 50 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 50.

51. To the extent that the allegations in Paragraph 51 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the various versions of the Term Sheet are documents that speak for themselves, and they deny any characterization inconsistent with their terms.

52. To the extent that the allegations in Paragraph 52 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections is a document that speaks for itself, and they deny any characterization inconsistent with their terms, and (b) they deny the allegations in Paragraph 52.

53. To the extent that the allegations in Paragraph 53 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that the net proceeds of the EDC's Bond issue as of 2012 were less than \$75 million, but (b) they deny the remaining allegations in Paragraph 53.

54. To the extent that the allegations in Paragraph 54 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they deny the allegations in Paragraph 54.

55. To the extent that the allegations in Paragraph 55 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections and the Equity PPM are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they admit that the precise amount of net proceeds that 38 Studios would receive from the EDC was not determined until shortly before the Closings, but (c) they deny the remaining allegations in Paragraph 55.

56. To the extent that the allegations in Paragraph 56 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 56.

57. To the extent that the allegations in Paragraph 57 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 57.

58. To the extent that the allegations in Paragraph 58 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Sean Esten met 38 Studios personnel in April or May 2010

and that they were informed that he was involved in analyzing the proposed loan to 38 Studios, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 58.

59. To the extent that the allegations in Paragraph 59 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59.

60. To the extent that the allegations in Paragraph 60 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 60.

61. To the extent that the allegations in Paragraph 61 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced lists are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 61.

62. To the extent that the allegations in Paragraph 62 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced communication is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without

knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 62.

63. To the extent that the allegations in Paragraph 63 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced documents speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 63.

64. To the extent that the allegations in Paragraph 64 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 64.

65. To the extent that the allegations in Paragraph 65 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 65.

66. To the extent that the allegations in Paragraph 66 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 66.

67. To the extent that the allegations in Paragraph 67 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 67.

68. To the extent that the allegations in Paragraph 68 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 68.

69. To the extent that the allegations in Paragraph 69 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny the allegations in the third sentence of Paragraph 69 and deny that they failed to supply any information to the EDC Board or failed to correct any false impressions, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 69.

70. To the extent that the allegations in Paragraph 70 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that the EDC was informed that 38 Studios would receive net proceeds of less than \$75 million, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 70.

71. To the extent that the allegations in Paragraph 71 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 71.

72. To the extent that the allegations in Paragraph 72 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the unspecified documents quoted in Paragraph 72 are documents that speak for themselves, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 72.

73. To the extent that the allegations in Paragraph 73 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced statute is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that the Rhode Island General Assembly enacted Public Law 026/029 on or about June 11, 2010, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 73.

74. To the extent that the allegations in Paragraph 74 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced statute is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

75. To the extent that the allegations in Paragraph 75 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester admit the allegations in Paragraph 75.

76. To the extent that the allegations in Paragraph 76 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 76.

77. To the extent that the allegations in Paragraph 77 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the underlying Bond documents are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they admit that the Bonds were conduit bonds, (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

78. To the extent that the allegations in Paragraph 78 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 78.

79. To the extent that the allegations in Paragraph 79 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny the assertion that no members of the EDC were experts in law, lending, video gaming, or economic development, and (b) they are

without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 79.

80. To the extent that the allegations in Paragraph 80 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced presentation to the EDC Board and the April 1 Projections are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they deny the allegation that, as of June 14, 2010, it was likely that 38 Studios would become insolvent and go out of business in 2012, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 80.

81. To the extent that the allegations in Paragraph 81 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced presentation to the EDC Board is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they deny the allegations that 38 Studios' projections lacked any factual support or were based on false assumptions, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 81.

82. To the extent that the allegations in Paragraph 82 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 82.

83. To the extent that the allegations in Paragraph 83 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) the referenced Inducement Resolution is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they admit that the EDC Board voted to adopt an Inducement Resolution at the meeting on June 14, 2010.

84. To the extent that the allegations in Paragraph 84 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced emails are documents that speak for themselves, and they deny any characterization inconsistent with its terms, and (b) they admit that Zaccagnino sent an email to Saul with a copy to Stolzman on or about June 15, 2010.

85. To the extent that the allegations in Paragraph 85 are not directed at Zaccagnino or Wester, or asserts legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 85.

86. To the extent that the allegations in Paragraph 86 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 86.

87. To the extent that the allegations in Paragraph 87 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and

Wester state that (a) they admit that on June 22, 2010, they attended a meeting at the offices of the EDC, along with representatives from the various entities involved in the proposed 38 Studios' Bond issuance and loan transaction, including but not limited to Stolzman of Adler Pollock, Afonsos of Moses Afonso, Saul of the EDC, Aaron Topp, Peter M. Cannava and Craig Hrinkevich of Wells Fargo, and Maureen Gurghigian of First Southwest, but (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 87.

88. To the extent that the allegations in Paragraph 88 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that (i) the meeting participants discussed the shortfall in EDC financing and 38 Studios' business plan for Copernicus, and (ii) they confirmed that 38 Studios would need additional capital beyond the net proceeds of the EDC's loan to relocate to Rhode Island and complete Copernicus, but (b) they deny stating that the business plan would not work without additional capital over and above the capital anticipated in the April 1 Projections.

89. To the extent that the allegations in Paragraph 89 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that at the June 22 meeting there was a discussion about 38 Studios seeking additional capital through equity financing, but (b) they deny the allegations in the last sentence of Paragraph 89, and (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 89.

90. To the extent that the allegations in Paragraph 90 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they are without knowledge or information

sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 90, and (b) they deny the remaining allegations in Paragraph 90.

91. To the extent that the allegations in Paragraph 91 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections referenced in the first sentence of Paragraph 91 is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they deny the allegations in the second and third sentences of Paragraph 91.

92. To the extent that the allegations in Paragraph 92 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 92.

93. To the extent that the allegations in Paragraph 93, are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that it was clear to all that 38 Studios' net proceeds from the EDC loan would not alone suffice to enable 38 Studios to relocate to Rhode Island and complete production of Copernicus, and (c) they deny the remaining allegations in Paragraph 93.

94. To the extent that the allegations in Paragraph 94 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) the Term Sheet and April 1 Projections are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they admit that at the meeting on June 22, 2010 and on other occasions, representatives of 38 Studios informed the EDC's representatives that the net proceeds of the EDC's loan would not alone suffice for 38 Studios to finance relocation to Rhode Island and the completion of Copernicus, and that consequently the EDC through its representatives was aware of that fact, but (c) they deny the remaining allegations in Paragraph 94. Further answering, Zaccagnino and Wester state that they are unaware of any wrongdoing by any of the other defendants.

95. To the extent that the allegations in Paragraph 95 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet, April 1 Projections, and email referenced in Paragraph 95 are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they specifically deny the allegation that the April 1 Projections were false and they deny the remaining allegations in Paragraph 95.

96. To the extent that the allegations in Paragraph 96 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 96.

97. To the extent that the allegations in Paragraph 97 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for

itself, and they deny any characterization inconsistent with its terms, (b) they admit that the EDC Board met on July 15, 2010 to consider the 38 Studios deal, (c) they deny that there was any “inevitable shortfall,” and (d) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 97.

98. To the extent that the allegations in Paragraph 98 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that they understood that First Southwest served as the EDC’s financial advisor, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 98.

99. To the extent that the allegations in Paragraph 99 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 99.

100. To the extent that the allegations in Paragraph 100 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced email and the Authorizing Resolution are documents that speak for themselves, and they deny any characterization inconsistent with those documents’ terms.

101. To the extent that the allegations in Paragraph 101 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 101.

102. To the extent that the allegations in Paragraph 102 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 102.

103. To the extent that the allegations in Paragraph 103 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 103.

104. To the extent that the allegations in Paragraph 104 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 104.

105. To the extent that the allegations in Paragraph 105 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 105.

106. To the extent that the allegations in Paragraph 106 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Authorizing Resolution and the Term Sheet are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they deny that (i) the Term Sheet contained a false representation, and (ii) they knew or should have known that the Term Sheet would be relied upon by the EDC Board, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 106.

107. To the extent that the allegations in Paragraph 107 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Authorizing Resolution and the Term Sheet

are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, (b) they admit that on July 26, 2010, the EDC Board convened and adopted the Authorizing Resolution for the issuance and sale of the Bonds and that Schilling attended this meeting, (c) they deny the allegations that (i) the Term Sheet and the Authorizing Resolution contained falsehoods and (ii) a majority of the EDC Board was still in the dark about the financing shortfall as of July 26, 2010, and (d) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 107.

108. To the extent that the allegations in Paragraph 108 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 108.

109. To the extent that the allegations in Paragraph 109 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Authorizing Resolution is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that the EDC Board adopted the Authorizing Resolution, and (c) they specifically deny the allegations that the Authorizing Resolution contained a false finding.

110. To the extent that the allegations in Paragraph 110 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 110.

111. To the extent that the allegations in Paragraph 111 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for

itself, and they deny any characterization inconsistent with its terms, (b) they admit that Wells Fargo worked with 38 Studios on private financing, and that Wells Fargo later became a placement agent for the Bonds, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 111.

Answer to the EDC's Allegations in Section I.C of the Complaint

112. To the extent that the allegations in Paragraph 112 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced press release is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 112.

113. To the extent that the allegations in Paragraph 113 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced bond authorization is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

114. To the extent that the allegations in Paragraph 114 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 114.

115. To the extent that the allegations in Paragraph 115 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 115.

116. To the extent that the allegations in Paragraph 116 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Equity PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that prior to becoming a placement agent to sell the Bonds, Wells Fargo was retained by 38 Studios to assist 38 Studios in obtaining private equity investment totaling \$25 million and that Wells Fargo had prepared the Equity PPM, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 116.

117. To the extent that the allegations in Paragraph 117 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the Equity PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

118. To the extent that the allegations in Paragraph 118 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 118, and (c) they otherwise deny the allegations in Paragraph 118.

119. To the extent that the allegations in Paragraph 119 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 119.

120. To the extent that the allegations in Paragraph 120 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations concerning what the defendants named in Paragraph 120 knew, and (c) they otherwise deny the remaining allegations in Paragraph 120.

121. To the extent that the allegations in Paragraph 121 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 121.

122. To the extent that the allegations in Paragraph 122 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the document referenced in the third sentence of Paragraph 122 speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that Wester sent the referenced document to Stolzman, and (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 122.

123. To the extent that the allegations in Paragraph 123 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced document speaks for itself, and they deny any characterization inconsistent with its terms, (b) they specifically deny that this

document or the April 1 Projections contained false assumptions, and (c) they deny the remaining allegations in Paragraph 123.

124. To the extent that the allegations in Paragraph 124 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny the allegations in the last two sentences of Paragraph 124, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 124.

125. To the extent that the allegations in Paragraph 125 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 125.

126. To the extent that the allegations in Paragraph 126 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 126.

127. To the extent that the allegations in Paragraph 127 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 127.

128. To the extent that the allegations in Paragraph 128 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced

PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

129. To the extent that the allegations in Paragraph 129 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced draft document speaks for itself, and they deny any characterization inconsistent with its terms, (b) they deny the allegations in the last sentence of Paragraph 129 to the extent that those allegations pertain to them, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 129.

130. To the extent that the allegations in Paragraph 130 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced presentation slide is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they deny the allegations in the last sentence of Paragraph 130, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 130.

131. To the extent that the allegations in Paragraph 131 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 131.

132. To the extent that the allegations in Paragraph 132 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the BPA is a document that speaks for itself, and

they deny any characterization inconsistent with its terms, and (b) they admit that Wells Fargo, 38 Studios, and the EDC executed the BPA on or about October 22, 2010.

133. To the extent that the allegations in Paragraph 133 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the BPA speaks for itself, and they deny any characterization inconsistent with its terms.

134. To the extent that the allegations in Paragraph 134 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they deny that they negotiated the BPA on behalf of 38 Studios, (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in the first sentence of Paragraph 134, (c) they admit that MacLean signed the BPA on behalf of 38 Studios, but (d) they deny the remaining allegations in Paragraph 134.

135. To the extent that the allegations in Paragraph 135 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

136. To the extent that the allegations in Paragraph 136 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 136.

137. To the extent that the allegations in Paragraph 137 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

138. To the extent that the allegations in Paragraph 138 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 138.

139. To the extent that the allegations in Paragraph 139 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they otherwise deny the allegations in Paragraph 139.

140. To the extent that the allegations in Paragraph 140 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email and Engagement Letter are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 140.

141. To the extent that the allegations in Paragraph 141 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Engagement Letter is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 141.

142. To the extent that the allegations in Paragraph 142 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester admit that the on November 2, 2010, the EDC issued Bonds totaling in the principal amount of \$75 million, and that Wells Fargo and Barclays, acting as placement agents for the EDC, sold them to investors.

143. To the extent that the allegations in Paragraph 143 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Jobs Creation Guaranty Act the Engagement Letter is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) the Court has ruled that the EDC does not have a viable claim for alleged damage to its ability to issue bonds.

144. To the extent that the allegations in Paragraph 144 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that on June 7, 2013, 38 Studios filed a Chapter 7 Voluntary Petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware, but (b) they deny the remaining allegations in Paragraph 144.

Answer to the EDC's Allegations in Section I.D of the Complaint

145. To the extent that the allegations in Paragraph 145 and footnotes 1 and 2 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced deposits, fees, and payments are evidenced in documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms; and (b) they are otherwise without

knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 145.

146. To the extent that the allegations in Paragraph 146 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced Bonds are evidenced in documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms.

147. To the extent that the allegations in Paragraph 147 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced payments are evidenced in documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms; and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 147.

Answer to the EDC's Allegations in Section I.E of the Complaint

148. To the extent that the allegations in Paragraph 148 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms, (b) they admit that on or about May 20, 2010 Lamarre signed the agreement on behalf of Wells Fargo and that Wester signed it on behalf of 38 Studios.

149. To the extent that the allegations in Paragraph 149 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that the referenced agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

150. To the extent that the allegations in Paragraph 150 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

151. To the extent that the allegations in Paragraph 151 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced invoice is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

152. To the extent that the allegations in Paragraph 152 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced payment is evidenced in a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they deny the remaining allegations in Paragraph 152.

153. To the extent that the allegations in Paragraph 153 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 153.

154. To the extent that the allegations in Paragraph 154 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the April 1 Projections is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they otherwise deny the allegations in Paragraph 154.

155. To the extent that the allegations in Paragraph 155 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

156. To the extent that the allegations in Paragraph 156 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 156.

157. To the extent that the allegations in Paragraph 157 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 157.

158. To the extent that the allegations in Paragraph 158 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the BPA is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they otherwise deny the allegations in Paragraph 158.

159. To the extent that the allegations in Paragraph 159 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 159.

Answer to the EDC's Allegations in Section I.F of the Complaint

160. To the extent that the allegations in Paragraph 160 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and

Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 160.

161. To the extent that the allegations in Paragraph 161 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 161.

162. To the extent that the allegations in Paragraph 162 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced notes constitute a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 162.

163. To the extent that the allegations in Paragraph 163 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Strategy Analytics issued a written report, (b) the written report is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 163.

164. To the extent that the allegations in Paragraph 164 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the written report is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 164.

165. To the extent that the allegations in Paragraph 165 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Strategy Analytics issued a written report, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 165.

166. To the extent that the allegations in Paragraph 166 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Harvey Cohen and Barry Gilbert made a PowerPoint presentation to the EDC Board at the meeting on June 14, 2010, (b) the referenced PowerPoint is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (c) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 166.

167. To the extent that the allegations in Paragraph 167 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 167.

168. To the extent that the allegations in Paragraph 168 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Gina Raimondo was a candidate for Rhode Island State Treasurer, (b) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 168.

169. To the extent that the allegations in Paragraph 169 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 169.

Answer to the EDC's Allegations in Section I.G of the Complaint

170. To the extent that the allegations in Paragraph 170 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Lincoln Chafee was a gubernatorial candidate and that he publicly questioned the 38 Studios transaction during the summer of 2010, and (b) the referenced letter is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

171. To the extent that the allegations in Paragraph 171 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced letter is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 171.

172. To the extent that the allegations in Paragraph 172 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the unspecified document quoted in Paragraph 172 speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 172.

173. To the extent that the allegations in Paragraph 173 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced agenda is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 173.

174. To the extent that the allegations in Paragraph 174 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced agendas are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 174.

Answer to the EDC's Allegations in Section I.H of the Complaint

175. To the extent that the allegations in Paragraph 175 are not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that Frank Caprio was the Rhode Island Treasurer and a gubernatorial candidate, and (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 175.

176. To the extent that the allegations in Paragraph 176 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced email is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise

without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 176.

177. To the extent that the allegations in Paragraph 177 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that the final contract documents for the EDC loan had not yet been negotiated, and (b) they deny that the EDC Board's Authorization Resolution and agreement to the Term Sheet were procured through misrepresentations.

178. To the extent that the allegations in Paragraph 178 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 178.

179. To the extent that the allegations in Paragraph 179 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 179.

Answer to the EDC's Allegations in Section I.I of the Complaint

180. To the extent that the allegations in Paragraph 180 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that at some point they learned that the EDC was seeking either a completion bond or third-party assessment and monitoring for the Copernicus project, but (b) they are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 180.

181. To the extent that the allegations in Paragraph 181 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 181.

182. To the extent that the allegations in Paragraph 182 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 182.

183. To the extent that the allegations in Paragraph 183 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced July 22, 2010 memorandum is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 183.

184. To the extent that the allegations in Paragraph 184 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced July 22, 2010 memorandum is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 184.

185. To the extent that the allegations in Paragraph 185 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for

itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 185.

186. To the extent that the allegations in Paragraph 186 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 186.

187. To the extent that the allegations in Paragraph 187 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 187.

188. To the extent that the allegations in Paragraph 188 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Term Sheet is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 188.

189. To the extent that the allegations in Paragraph 189 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) they admit that the EDC sought a third-party monitoring agreement with 38 Studios, but (b) they deny that 38 Studios rejected IFG as the third-party monitor, and (c) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 189.

190. To the extent that the allegations in Paragraph 190 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that IBM did not want to enter into a monitoring agreement with a governmental entity, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 190.

191. To the extent that the allegations in Paragraph 191 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that IBM entered into an agreement with 38 Studios and (b) that agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

192. To the extent that the allegations in Paragraph 192 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the quoted statement by Stolzman is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 192.

193. To the extent that the allegations in Paragraph 193 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Project Monitoring Agreement is a document

that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 193.

194. To the extent that the allegations in Paragraph 194 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 194.

Answer to the EDC's Allegations in Section I.J of the Complaint

195. To the extent that the allegations in Paragraph 195 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 195.

196. To the extent that the allegations in Paragraph 196 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Loan and Trust Agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 196.

197. To the extent that the allegations in Paragraph 197 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Loan and Trust Agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are

otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 197.

198. To the extent that the allegations in Paragraph 198 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Loan and Trust Agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 198.

Answer to the EDC's Allegations in Section I.K of the Complaint

199. To the extent that the allegations in Paragraph 199 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 199.

200. To the extent that the allegations in Paragraph 200 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM and the Project Monitoring Agreement are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 200.

201. To the extent that the allegations in Paragraph 201 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) the Project Monitoring Agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 201.

202. To the extent that the allegations in Paragraph 202 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM and Project Monitoring Agreement are documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 202.

203. To the extent that the allegations in Paragraph 203 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 203.

204. To the extent that the allegations in Paragraph 204 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Bond PPM is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 204.

205. To the extent that the allegations in Paragraph 205 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced opinion by Moses Afonso and Afons is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 205.

206. To the extent that the allegations in Paragraph 206 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the referenced opinion by Stolzman and Adler Pollock is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 206.

207. To the extent that the allegations in Paragraph 207 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that the Closings took place on November 2, 2010 and that IBM performed an initial assessment after the Closings, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 207.

Answer to the EDC's Allegations in Section I.L of the Complaint

208. To the extent that the allegations in Paragraph 208 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the Project Monitoring Agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

209. To the extent that the allegations in Paragraph 209 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the Project Monitoring Agreement is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 209.

210. To the extent that the allegations in Paragraph 210 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) the provisions for fee payments are contained in documents that speak for themselves, and they deny any characterization inconsistent with those documents' terms, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 210.

211. To the extent that the allegations in Paragraph 211 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that the Closings took place on November 2, 2010 and that IBM performed an initial assessment after the Closings, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 211.

212. To the extent that the allegations in Paragraph 212 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they admit that IBM performed an initial assessment after the Closings, (b) the Initial Assessment report is a document that speaks for itself, and they deny any characterization inconsistent with its terms, and (c) they are otherwise

without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 212.

**Answer to COUNT I
(Breach of Fiduciary Duty)**

213. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212.

214. To the extent that the allegations in Paragraph 214 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 214.

215. To the extent that the allegations in Paragraph 215 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 215.

216. To the extent that the allegations in Paragraph 216 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 216.

217. To the extent that the allegations in Paragraph 217 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny that the EDC has suffered any damage, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 217.

218. To the extent that the allegations in Paragraph 218 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) they deny the allegations in Paragraph 218 to the extent that the EDC alleges that they, 38 Studios, or its officers and directors engaged in any wrongdoing, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 218.

219. To the extent that the allegations in Paragraph 219 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 219.

To the extent that the EDC's request for relief in Count I is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

Answer to COUNT II
(Breach of Fiduciary Duty – Wells Fargo's Hidden Commissions)

220. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212 and Paragraph 218.

221. To the extent that the allegations in Paragraph 221 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 221.

222. To the extent that the allegations in Paragraph 222 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 222.

223. To the extent that the allegations in Paragraph 223 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 223.

224. To the extent that the allegations in Paragraph 224 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 224.

225. To the extent that the allegations in Paragraph 225 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 225.

To the extent that the EDC's request for relief in Count II is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT III
(Fraud)**

226. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212 and Paragraph 218.

227. To the extent that the allegations in Paragraph 227 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 227.

228. To the extent that the allegations in Paragraph 228 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 228.

229. To the extent that the allegations in Paragraph 229 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 229.

230. To the extent that the allegations in Paragraph 230 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 230.

To the extent that the EDC's request for relief in Count III is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT IV
(Fraudulent Misrepresentations and Omissions)**

231. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212 and Paragraph 218.

232. To the extent that the allegations in Paragraph 232 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 232.

233. To the extent that the allegations in Paragraph 233 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 233.

234. To the extent that the allegations in Paragraph 234 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 234.

To the extent that the EDC's request for relief in Count IV is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT V
(Negligent Misrepresentation)**

235. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212.

236. To the extent that the allegations in Paragraph 236 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny all allegations that they, 38 Studios, or its officers and directors engaged in any wrongdoing, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 236.

237. To the extent that the allegations in Paragraph 237 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 237.

238. To the extent that the allegations in Paragraph 238 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 238.

239. To the extent that the allegations in Paragraph 239 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 239.

To the extent that the EDC's request for relief in Count V is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT VI
(Legal Malpractice)**

240. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212.

241. To the extent that the allegations in Paragraph 241 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 241.

242. To the extent that the allegations in Paragraph 242 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 242.

243. To the extent that the allegations in Paragraph 243 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 243.

244. To the extent that the allegations in Paragraph 244 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 244.

To the extent that the EDC's request for relief in Count VI is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT VII
(Negligence)**

245. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212.

246. To the extent that the allegations in Paragraph 246 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that (a) they deny all allegations that they, 38 Studios, or its officers and directors engaged in any wrongdoing, and (b) they are otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 246.

247. To the extent that the allegations in Paragraph 247 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 247.

To the extent that the EDC's request for relief in Count VII is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims

against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT VIII
(Breach of Implied Covenant of Good Faith and Fair Dealing)**

248. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212.

249. To the extent that the allegations in Paragraph 249 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 249.

250. To the extent that the allegations in Paragraph 250 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 250.

251. To the extent that the allegations in Paragraph 251 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 251.

To the extent that the EDC's request for relief in Count VIII is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT IX
(Damages under R.I. Gen. Laws § 42-64-9.3)**

252. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212, and Paragraph 218.

253. To the extent that the allegations in Paragraph 253 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 253.

254. To the extent that the allegations in Paragraph 254 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 254.

255. To the extent that the allegations in Paragraph 255 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 255.

To the extent that the EDC's request for relief in Count IX is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT X
(Mandatory Final Injunction Pursuant to EDC Enforcement Powers)**

257. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212, and Paragraphs 253-256.

258. Count X of the EDC's Complaint has been dismissed by the Court in its entirety, and therefore no response is required.

259. Count X of the EDC's Complaint has been dismissed by the Court in its entirety, and therefore no response is required.

260. Count X of the EDC's Complaint has been dismissed by the Court in its entirety, and therefore no response is required.

261. Count X of the EDC's Complaint has been dismissed by the Court in its entirety, and therefore no response is required.

262. Count X of the EDC's Complaint has been dismissed by the Court in its entirety, and therefore no response is required.

263. Count X of the EDC's Complaint has been dismissed by the Court in its entirety, and therefore no response is required.

To the extent that the EDC's request for relief in Count X is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester state that Count X of the EDC's Complaint has been dismissed by the Court in its entirety, they deny that the EDC is entitled to any relief against them, and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

Answer to COUNT XI
(Civil Damages under R.I. Gen. Laws § 9-1-2 Based Upon
Violations of R.I. Gen. Laws §§ 11-18-1, 11-18-6, 11-18-7, 11-18-8, or 11-41-4)

264. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212, and Paragraph 218.

265. To the extent that the allegations in Paragraph 265 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 265.

266. To the extent that the allegations in Paragraph 266 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 266.

267. To the extent that the allegations in Paragraph 267 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 267.

268. To the extent that the allegations in Paragraph 268 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 268.

269. To the extent that the allegations in Paragraph 269 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 269.

270. To the extent that the allegations in Paragraph 270 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 270.

To the extent that the EDC's request for relief in Count XI is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT XII
(R.I. RICO (sub-section (a)))**

271. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212, and Paragraph 218.

272. To the extent that the allegations in Paragraph 272 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that the statute is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

273. To the extent that the allegations in Paragraph 273 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the statute is a document that speaks for itself, and they deny any characterization inconsistent with its terms.

274. To the extent that the allegations in Paragraph 274 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 274.

275. To the extent that the allegations in Paragraph 275 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 275.

276. To the extent that the allegations in Paragraph 276 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 276.

277. To the extent that the allegations in Paragraph 277 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 277.

278. To the extent that the allegations in Paragraph 278 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 278.

279. To the extent that the allegations in Paragraph 279 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 279.

280. To the extent that the allegations in Paragraph 280 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 280.

281. To the extent that the allegations in Paragraph 281 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 281.

To the extent that the EDC's request for relief in Count XII is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT XIII
(R.I. RICO (sub-section (c)))**

282. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212, and Paragraph 218.

283. To the extent that the allegations in Paragraph 283 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester state that the referenced statute speaks for itself and they deny any characterization inconsistent with its terms.

284. To the extent that the allegations in Paragraph 284 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is

required, Zaccagnino and Wester state that (a) the referenced statute speaks for itself and they deny any characterization inconsistent with its terms, and (b) they otherwise deny the allegations in Paragraph 284.

285. To the extent that the allegations in Paragraph 285 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 285.

286. To the extent that the allegations in Paragraph 286 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 286.

287. To the extent that the allegations in Paragraph 287 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 287.

288. To the extent that the allegations in Paragraph 288 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 288.

289. To the extent that the allegations in Paragraph 289 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 289.

To the extent that the EDC's request for relief in Count XIII is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT XIV
(Civil Conspiracy)**

290. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212, and Paragraph 218.

291. To the extent that the allegations in Paragraph 291 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 291.

292. To the extent that the allegations in Paragraph 292 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 292.

293. To the extent that the allegations in Paragraph 293 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 293.

294. To the extent that the allegations in Paragraph 294 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 294.

To the extent that the EDC's request for relief in Count XIV is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT XV
(Unjust Enrichment)**

295. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-212.

296. To the extent that the allegations in Paragraph 296 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 296.

297. To the extent that the allegations in Paragraph 297 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 297.

298. To the extent that the allegations in Paragraph 298 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 298.

To the extent that the EDC's request for relief in Count XV is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

**Answer to COUNT XVI
(Declaratory Relief on Liability)**

299. Zaccagnino and Wester repeat and reallege their responses to Paragraphs 1-298.

300. To the extent that the allegations in Paragraph 300 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester admit that there is an actual and legal controversy between the EDC and themselves.

301. To the extent that the allegations in Paragraph 301 are not directed at Zaccagnino or Wester, or assert legal conclusions, no response is required. To the extent that a response is required, Zaccagnino and Wester deny the allegations in Paragraph 301.

To the extent that the EDC's request for relief in Count XVI is not directed at Zaccagnino or Wester, no response is required. To the extent that a response is required, Zaccagnino and Wester deny that the EDC is entitled to any relief against them and they request that all claims against them be dismissed in their entirety, and that they be awarded their reasonable attorney's fees, plus interest, costs, and such other and further relief as may be just.

AFFIRMATIVE DEFENSES

Without assuming any burden of proof, persuasion or production not otherwise legally assigned to them as to any element of the EDC's claims, and reserving the right to amend this Answer to assert any additional defenses when, and if, in the course of their investigation, discovery, preparation for trial, or it otherwise becomes appropriate to assert such defenses, Zaccagnino and Wester assert the following affirmative and other defenses:

First Affirmative Defense

The EDC's Complaint fails to state a claim against Zaccagnino and Wester upon which relief can be granted.

Second Affirmative Defense

The EDC has failed to plead its claims against Zaccagnino and Wester sounding in fraud with adequate particularity.

Third Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because Zaccagnino and Wester did not make any misstatements or omissions of material fact.

Fourth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC did not adequately plead, and cannot show, that Zaccagnino and Wester knowingly made any false representations or statements to the EDC.

Fifth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC did not adequately plead, and cannot show, that Zaccagnino and Wester intended to deceive the EDC.

Sixth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC did not reasonably rely on any alleged untrue or misleading statement regarding 38 Studios' financial condition when authorizing the issuance of the Bonds.

Seventh Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC was fully aware of the financial condition and needs of 38 Studios, including the very information the EDC alleges was misrepresented prior to authorizing the issuance of the Bonds.

Eighth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC admits in the First Amended Complaint that Zaccagnino and Wester and 38 Studios fully disclosed 38 Studios' financial conditions and needs and this knowledge is imputed to the EDC as a matter of law.

Ninth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC fully acknowledged in the June 14, 2010 Inducement Resolution that it knew 38 Studios needed "in excess of \$125,000,000," yet the face value of the Bonds would total only \$75,000,000.

Tenth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC admits in the First Amended Complaint that the EDC Board understood that 38 Studios' capital requirements to complete Copernicus were approximately \$75 million, and that the net proceeds of the EDC's Bond issue to be lent to 38 Studios would be less than \$75 million.

Eleventh Affirmative Defense

Zaccagnino and Wester are informed and believe, and on that basis allege, that the EDC is not entitled to any recovery because the EDC would have authorized the issuance of the Bonds even with full knowledge of the facts that it now alleges were misrepresented.

Twelfth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC has not suffered any legally cognizable harm, injury, or damages.

Thirteenth Affirmative Defense

The EDC at all relevant times had a duty to take reasonable action to mitigate any damages it allegedly sustained. Zaccagnino and Wester are informed and believe, and on that basis allege, that the EDC failed to comply with that duty and is therefore barred from recovering any damages that might reasonably have been avoided.

Fourteenth Affirmative Defense

Zaccagnino and Wester are entitled to offset the amount of the proceeds from any and all sales of assets belonging to the 38 Studios bankruptcy estate against any damages that might be awarded.

Fifteenth Affirmative Defense

The EDC's claims are barred in whole or in part because the EDC lacks standing to sue.

Sixteenth Affirmative Defense

The EDC's claims are barred in whole or in part by the voluntary-payment doctrine.

Seventeenth Affirmative Defense

The EDC's claims are barred in whole or in part by the doctrine of independent, intervening cause.

Eighteenth Affirmative Defense

The EDC's claims are barred in whole or in part by the economic loss doctrine.

Nineteenth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part because the EDC's alleged damages or other injuries were caused by the acts or omissions of the EDC or other entities or persons over which Zaccagnino and Wester had no control.

Twentieth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part by the doctrines of comparative fault and/or contributory negligence.

Twenty-First Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part as a result of the actions of the EDC, Governor Chafee, and/or others working on their behalf, which resulted in the financial failure and bankruptcy of 38 Studios.

Twenty-Second Affirmative Defense

Other parties not named in the First Amended Complaint may be indispensable parties to this action.

Twenty-Third Affirmative Defense

The EDC is not entitled to injunctive relief because such relief is not in the public interest and the EDC has not made the showings necessary for such relief.

Twenty-Fourth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part by equitable estoppel, waiver, or other related equitable doctrines.

Twenty-Fifth Affirmative Defense

The EDC's claims against Zaccagnino and Wester are barred in whole or in part by the doctrine of unclean hands and inequitable conduct.

Twenty-Sixth Affirmative Defense

The EDC's claims are barred in whole or in part by the applicable statute(s) of limitations or, in the alternative, laches.

Twenty-Seventh Affirmative Defense

Zaccagnino and Wester adopt by reference any applicable defense pleaded by any other defendant not expressly set forth herein.

Twenty-Eighth Affirmative Defense

Zaccagnino and Wester hereby give notice that they intend to rely upon any other defense that may become available or appear during the discovery proceedings in this case, and Zaccagnino and Wester hereby reserve their right to amend this Answer to assert such defenses.

Twenty-Ninth Affirmative Defense

Zaccagnino and Wester reserve the right to raise any additional defenses, cross-claims, and third-party claims not asserted herein of which they may become aware through discovery or other investigation, as may be appropriate at a later time.

RELIEF REQUESTED

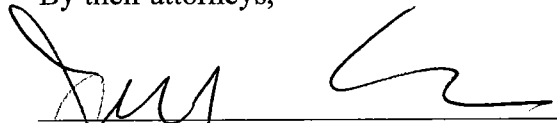
Zaccagnino and Wester, denying they are liable to the EDC, and denying the EDC is entitled to the relief sought in its First Amended Complaint or any relief whatsoever, ask that this Court enter judgment in their favor, dismiss all claims against them, and award them their reasonable attorneys' fees and costs, and such further relief as the Court deems just and proper.

Zaccagnino and Wester hereby demand a jury trial on all claims so triable.

Respectfully submitted,

DEFENDANTS THOMAS ZACCAGNINO,
and RICHARD WESTER,

By their attorneys,



Jeffrey C. Schreck (#2428)
99 Wayland Avenue, Suite 200
Providence, RI 02906
Telephone: (401) 421-9600
Facsimile: (866) 587-1527
Email: jschreck@msn.com

Michael F. Connolly (*pro hac vice*)
Joseph P. Curtin (*pro hac vice*)
A. W. Phinney III (*pro hac vice*)
Erin Cornell Horton (#8434)
MINTZ, LEVIN, COHN, FERRIS,
GLOVSKY AND POPEO, PC
One Financial Center, Boston, MA 02111
Telephone: (617) 542-6000
Facsimile: (617) 542-2241
Email: mfconnolly@mintz.com
jpcurtin@mintz.com
awphinney@mintz.com
echorton@mintz.com

Certification

I hereby certify that on September 24, 2013, I caused a copy of the within pleading to be sent electronically and/or delivered by first class mail, postage prepaid, to

Stephen P. Sheehan, Esq.
Benjamin Ledsham, Esq.
Wistow & Baryllick Incorporated
61 Weybosset Street
Providence, RI 02903
SPS@wistbar.com
bledsham@wistbar.com

William M. Dolan, III, Esq.
Brown Rudnick LLP
10 Memorial Boulevard, 10th Fl.
Providence, RI 02903
wdolan@brownrudnick.com

Bruce W. Gladstone, Esq.
Cameron & Mittleman LLP
301 Promenade Street
Providence, RI 02908
bgladstone@cm-law.com

David A. Grossbaum, Esq.
Samuel C. Bodurtha, Esq.
Matthew R. Watson, Esq.
Hinshaw & Culbertson LLP
321 South Main Street, Suite 301
Providence, RI 02903
dgrossbaum@hinshawlaw.com
sbodurtha@hinshawlaw.com
mwatson@hinshawlaw.com

Thomas F. Holt, Jr., Esq.
K&L Gates LLP
State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950
thomas.holt@klgates.com

Robert M. Duffy, Esq.
Byron L. McMasters, Esq.
Duffy & Sweeney, Ltd.
1800 Financial Plaza
Providence, RI 02903
rduffy@duffysweeney.com
bcmcmasters@duffysweeney.com

Gerald J. Petros, Esq.
Mitchell R. Edwards, Esq.
Hinckley Allen Snyder, LLP
50 Kennedy Plaza, Suite 1500
Providence, RI 02903
gpetros@haslaw.com
medwards@haslaw.com

Brooks R. Magratten
Pierce Atwood LLP
10 Weybosset Street, Suite 400
Providence, RI 02903
bmagratten@PierceAtwood.com

David P. Martland, Esq.
Silva, Thomas, Martland & Offenberg, Ltd.
1100 Aquidneck Avenue
Middletown, RI 02842

Michael P. Duffy, Esq.
Frederick E. Connelly, Jr., Esq.
Christopher Conroy, Esq.
Peabody & Arnold LLP
Federal Reserve Plaza
600 Atlantic Avenue
Boston, MA 02210-2261
mduffy@peabodyarnold.com
fconnelly@peabodyarnold.com
cconroy@peabodyarnold.com
Carl E. Metzger, Esq.
Sarah Heaton Concannon, Esq.
Josh Launer, Esq.
Thomas Duncombe, Esq.
Goodwin Procter LLP
One Exchange Place
Boston, MA 02109
sconcannon@goodwinprocter.com
cmetzger@goodwinprocter.com

jlauner@goodwinprocter.com
tduncombe@goodwinprocter.com

Mark A. Berthiaume (*pro hac vice*)
Timothy E. Maguire (*pro hac vice*)
GREENBERG TRAURIG LLP
One International Place, Boston, MA 02110
berthiaumem@gtlaw.com
maguiret@gtlaw.com

